

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

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In the Matter of	)	
	)	Investigation No. 337-TA-360
CERTAIN DEVICES FOR	)	
CONNECTING COMPUTERS	)	
VIA TELEPHONE LINES	)	
_____	)	

ORDER

On October 12, 1993, Farallon Computing, Inc. (Farallon) filed a complaint with the Commission alleging violations of section 337 in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain devices for connecting computers via telephone lines. Farallon's complaint alleged infringement of claims 10, 18, and 20 of Farallon's U.S. letters Patent 5,003,579 (the '579 patent).

Pursuant to subsection 337(b), the Commission instituted an investigation into the allegations of Farallon's complaint, and published a notice to that effect in the Federal Register on November 17, 1993 (58 Fed. Reg. 60671). The notice named 16 respondents; two additional respondents were subsequently added. Those 18 respondents are: (1) ABL Electronics Corp. of Timonium, Maryland; (2) Caltechnology International Ltd. of Taipei City, Taiwan; (3) CPU Products of Derby, Kansas; (4) DGR Technologies, Inc., formerly known as MACProducts USA, of Austin, Texas; (5) Enhance Cable Technology of San Jose, California; (6) Focus Enhancements, Inc. of Woburn, Massachusetts; (7) Full Enterprises Corp. of Chung Ho City, Taiwan; (8) Good Way Industrial Co., Ltd. of Taipei City, Taiwan; (9) Ji-Haw Industrial Co., Ltd. of Hsin Tien City, Taiwan; (10) MicroComputer Cable Co., Inc. of Taylor, Michigan; (11) Ming Technology Corp. of Taipei City, Taiwan; (12) Pan

International USA of Rancho Cucamonga, California; (13) Shiunn Yang Enterprises Co., Ltd. of Pan Chiao City, Taiwan; (14). Taiwan Techtron Corp. of Taipei City, Taiwan; (15) Technology Works, Inc. (“TechWorks”) of Austin, Texas; (16) Total Technologies, Ltd. of Santa Ana, California; (17) Tremon Enterprises Co., Ltd. (“Tremon”) of Taipei City, Taiwan; and (18) Tri-Tech Instruments Co., Ltd. (“Tri-Tech”) of Shu Lin Town, Taiwan.

All of the respondents except TechWorks and Tri-Tech have entered into settlement and/or patent license agreements with Farallon. See 59 Fed. Reg. 12345-46 (March 16, 1994), 14872 (March 30, 1994), 23078 (May 4, 1994), 26812 (May 24, 1994), 29616-17 (June 8, 1994), and 33542 (June 29, 1994). On April 26, 1994, the presiding administrative law judge (ALJ) issued an initial determination (ID) granting Farallon's motion for summary determination that a domestic industry exists in accordance with subsections 337(a)(2) and (a)(3). The Commission published a notice of its decision not to review that ID on May 24, 1994. 59 Fed. Reg. 26811-12.

Following discovery but prior to the scheduled evidentiary hearing, complainant Farallon moved on April 28, 1994, for summary determination that a violation of section 337 exists as to all remaining respondents (“summary violation motion”). The motion was not contested by any respondent. The Commission investigative attorney filed a response in support of the summary violation motion. The ALJ issued an ID on May 25, 1994, finding, inter alia, that the ‘579 patent is valid, that respondent Tri-Tech has manufactured and exported to the United States products that infringe claims 10 and 20 of the ‘579 patent, that respondent TechWorks has sold imported products that infringe claims 18 and 20 of the ‘579 patent, that Tri-Tech and TechWorks have violated section 337, and that Tri-Tech is in default. The Commission published a notice of its decision not to review the violation ID on June 28, 1994. 59 Fed. Reg. 34862-63.

The Commission, having determined that there is a violation of section 337 of the Tariff Act of 1930 (19 U.S.C. 1 1337) in the unlawful importation and sale of certain devices far connecting computers via telephone lines that infringe certain claims of U.S. Letters Patent 5,003.579, and having considered the issues of remedy, public interest, and bonding, hereby

ORDERS that --

1. Devices for connecting computers via telephone line that are covered by claims 10, 18, or 20 of U.S. Letters Patent 5,003,579, are excluded from entry for consumption into the United States for the remaining term of the patent, except under license of the patent owner or as provided by law.
2. Notwithstanding paragraph 1 of this order, the aforesaid devices for connecting computers via telephone lines are entitled to entry for consumption into the United States under bond in the amount of 346 percent of the entered value of such articles, from the day after this Order in received by the President, pursusnt to subsection (j) of section 337 of the Tariff Act of 1930, as amended, until such time as the President notifies the Commission that he approves or disapproves this action, but no later then 60 days after the date of receipt of this Order by the President.
3. In accordance with 19 U.S.C. § 1337(l), the provisions of this Order Shall met apply to devices for connecting computers via telephone lines Imported by and for the United States.
4. The Secretary shall serve copies of this Order upon each party of record in this investigation and upon tbo Department of Realth and Human Services, the Department of Justice, the Federal Trade Commission, and the U.S. Customs Service.
5. Notice of this order shall be published in the Federal Register.

By order of the Commission.

Donna R. Koehnke  
Secretary

Issued: November 18, 1994